

*“What makes a community a place to live in is not the buildings, it’s the people—the spirit and faith that are in those people. Water cannot wash that away, and fire cannot burn that away, and a blizzard cannot freeze that away. And if you don’t give it away, it will bring you back better than ever. And we’ll be there with you every step of the way.”*

*President Clinton  
to the people of the  
Greater Grand Forks Area,  
April 22, 1997*

## **I. INTRODUCTION**

The people of North Dakota, South Dakota and Minnesota experienced a series of extraordinary disasters in the past year, culminating in the devastating floods this spring. Yet despite these record-setting floods—and the difficult last minute evacuations of over 60,000 people as levees gave way—not one life was lost in any of the three States. This fact alone attests to the strength of the people and of the State and local emergency response.

In addition to the weeks of intensive flood-fighting, State and local governments were first in line to meet the emergency needs of the flood victims as the people in these States—and many others across the nation—opened their doors to help shelter and feed those who fled the flood waters. Tremendous support was also provided, and continues to be provided, by voluntary organizations and Federal agencies in meeting the immediate emergency response needs.

As the flood waters recede, the States and communities are quickly moving from response to recovery. And Federal agencies have come together to ensure that, as President Clinton promised, they are with them “every step of the way.”

On his visit to the Greater Grand Forks area on April 22, President Clinton announced unique forms of Federal support in both response and recovery.

- First, the President announced that all emergency measures and costs of debris removal under the Stafford Act would be covered 100% by the Federal government so that funding presents no obstacle to State and local governments in their unprecedented response to protect property and save lives.
- Secondly, the President announced the creation of an interagency task force of Cabinet agencies to develop a long-term recovery plan for North Dakota, South Dakota and

Minnesota under the direction of James Lee Witt, Director, Federal Emergency Management Agency (FEMA).

On May 1, a meeting of Cabinet agencies was held to begin identification of the Federal assistance needed to ensure that recovery needs are met, with an *emphasis on ensuring that proper mitigation measures are taken so that these losses need never occur again*.

On May 7, FEMA met with State emergency management directors and long term recovery staff from each of the three States to hear directly from them where the areas of greatest concern and needs are for recovery. The areas identified are:

- Comprehensive Flood Hazard Mitigation
- Housing Repairs, Rehabilitation, Reconstruction, and Replacement Financing
- National Flood Insurance Program, Floodplain Management, and Mapping
- Planning and Programs for Economic Recovery
- Agriculture
- Infrastructure
- Health and Mental Health
- Special Needs
  - Tribal Nations
  - Education Programs
  - Historic Preservation

This report identifies the assistance that the Federal government offers for each of these areas of concern, as well as any gaps that might exist in Federal funding and authorities. *Specific* needs are still in the process of being identified both at the State and local level—and will continue to be identified as the communities move into recovery. However, aggressive steps have been taken by the Federal agencies to ensure that these specific needs are captured, and that State and local governments have the assistance they require to make timely and sound redevelopment decisions. These steps are outlined in “*The President’s Action Plan for Recovery*.”

## II. FEDERAL/STATE/LOCAL PARTNERSHIP

The challenge to “bring back the communities better than ever” rests first and foremost with the citizens and local governments who must make the complex redevelopment decisions that shape the future of their communities. Those communities hardest hit must quickly decide whether certain neighborhoods will be rebuilt, and in some cases must determine whether structural flood control is part of the longer-term solution. The domino effect of these decisions will determine which of the many Federal and State programs might be best suited to the individual’s and community’s redevelopment needs.

The May 7 meeting with State emergency management directors and recovery staff revealed a strong commitment on the part of each of the three States to take the lead in capturing local needs and channeling the appropriate resource to meet that need. Each of the three states has the solid support of the Governor to ensure that needs are met and assistance is coordinated. In fact, the State of Minnesota has reactivated its “Minnesota Recovers” Disaster Task Force, created in response to the Great Midwest Flood of 1993.

This partnership approach to recovery mirrors the partnership for all phases of emergency management—and puts the Federal government in the role of supplementing, not supplanting, the State and local governments. States have even reached across State boundaries to share resources. For example, both North and South Dakota have signed Emergency Management Assistance Compacts to establish a formal means of supporting each other to meet response and recovery needs. All three States and Canada have joined together to create a Red River Basin Commission to ensure a sound *basin-wide* approach to floodplain management, so that no entity is adversely impacted as redevelopment occurs.

Several mechanisms also exist to coordinate the Federal agencies that must ensure that the most appropriate and beneficial form of assistance is provided, and that duplication does not occur. First, the Federal Coordinating Officer will continue to be on scene and can coordinate not only the FEMA programs, but the other Federal agencies involved in response, recovery and mitigation. Secondly, Interagency Hazard Mitigation Teams bring together the Federal and State agencies involved in all aspects of hazard mitigation so that they can not only identify specific mitigation opportunities, but help ensure a coordinated mitigation strategy within each State. Thirdly, the Department of Housing and Urban Development (HUD), the Small Business Administration (SBA), and the Department of Commerce Economic Development Administration (DOC-EDA) are co-locating staff in Grand Forks to enhance coordination among the Federal agencies, the States, and the cities of Grand Forks and East Grand Forks. Finally, the Regional Offices for the Federal agencies will work closely together to share information and ensure consistent implementation of programs. Appendix C of this report lists the primary point-of-contact

for each Federal agency both within each State and at the national office level to facilitate coordination.

**NOTE TO THE READER  
ON THE  
SUMMARY OF FEDERAL PROGRAMS**

The following sections of the report briefly describe the *principal* Federal programs that can offer assistance in the three States for each of the major areas of recovery. A more complete listing of available Federal assistance (grants, loans, technical and planning assistance, or projects) appears in Appendix B. In order to keep the report to a manageable length, Federal agency points-of-contact are listed in Appendix C for each Agency within the State and at the national level. In this way, the user can contact the appropriate Federal agency to obtain the most complete and up-to-date information on each of the types of assistance listed. This compendium of assistance and the Agency points-of-contact can help not only in identifying the most appropriate Federal program to meet the need, but will facilitate packaging of assistance

### **III. COMPREHENSIVE FLOOD HAZARD MITIGATION**

A series of crucial decisions face States and the impacted local governments during the recovery phase, with all of the decisions being deeply interlaced. *Primary among the decisions is the issue of pursuing comprehensive flood hazard mitigation strategies that may include structural (levees or floodwalls) and/or non-structural (acquisition or elevation) solutions to more permanently address the flooding issues confronting the communities.* For instance, if a community decides to pursue a structural solution (a levee), this will drive the decisions about which properties will need to be acquired, where permanent housing will need to be sited and affect discussions within the remainder of the watershed. Combined solutions of structural and non-structural alternatives will also drive the appropriate mix of Federal programs to supplement the State and local resource base. FEMA encourages planning for mitigation before an event. When this is not possible or has not taken place, FEMA, HUD and other Federal agencies will provide extensive technical assistance. It is critical to understand, though, that the primary decisions are in the hands of State and local government. FEMA will provide temporary housing to those whose homes are being acquired, elevated or relocated.

This section is divided into three areas: Promoting Comprehensive Flood Hazard Mitigation Planning; Structural Flood Control Measures; and Non-Structural Flood Control Measures.

#### **Promoting Comprehensive Flood Hazard Mitigation Planning:**

In areas that are population and employment centers, structural flood control solutions are sometimes preferred by States and/or communities as the flood protection alternative. The United States Army Corps of Engineers (USACE) and the Department of Agriculture's Natural Resources Conservation Service (USDA-NRCS) have authority to study, design and construct flood damage reduction projects. As part of its study process, the USACE examines both non-structural and structural solutions. The USACE implements its studies and projects in cooperation with non-Federal project sponsors, only with specific Congressional authorization, except in the case of those which fall under the USACE Continuing Authorities Program (CAP). Under CAP, Congress has delegated authority to the Secretary of the Army, acting through the Chief of Engineers, to undertake certain flood damage reduction projects which fall under specified cost limits without specific Congressional authorization. Ultimately, the completion of flood damage reduction projects, whether specifically authorized or carried out under the CAP program, depends on appropriation of funds by the Congress for the Army's Civil Works program.

In addition, upon request, USACE will provide States, counties, cities, and Native American Nations with flood hazard information, technical services and planning guidance

free of charge through its Flood Plain Management Services (FPMS) program. Finally, the Planning Assistance to States (PAS) program, also known as the Section 22 Program, provides authority for the USACE to assist States, local governments and other non-Federal entities, on a 50/50 cost share basis, in preparation of comprehensive plans for the development, utilization, and conservation of water and related land resources. The FPMS and PAS programs are also dependent upon annual Congressional appropriations.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, P.L. 93-288, as amended (Stafford Act), authorizes FEMA's Hazard Mitigation Grant Program (HMGP). While the use of structural flood control is an eligible activity HMGP, FEMA has attempted to direct communities towards non-structural solutions, such as acquisition, elevation-in-place, relocation, and dry floodproofing of non-residential structures. Prior to selecting a structural solution, communities must evaluate a series of technical feasible solutions and select the most cost-effective measure.

HUD Community Development Block Grant Program (CDBG) funds can also be used to acquire flooded homes, including those that have been substantially damaged, when FEMA funds are not available. Both HUD's CDBG and FEMA's HMGP pay pre-flood market value to acquire flood-damaged residences. Currently HUD, FEMA, and the impacted states are working diligently toward the creation of a unified acquisition application process. This will significantly speed the acquisition process and eliminate the potential need for flood victims to complete multiple sets of application forms to be eligible for participation in either acquisition program.

States and communities impacted by recent flooding will potentially have a broad range of flood hazard mitigation programs from which to draw for both technical and financial support. Proper matching of authorities and funding with the competing needs of all impacted communities presents both challenges and opportunities for Federal, State and local entities.

### **Structural Flood Control Measures:**

- **New or Improved Structural Flood Control Measures:** In areas that are population and employment centers, structural flood control solutions are sometimes preferred by States and/or communities as the flood protection alternative. USACE is the Federal agency primarily responsible for structural flood control works.
- **USACE Flood Damage Reduction Program:** USACE, as part of an authorized flood control project, can construct flood control measures to help mitigation future damages. **GAP:** *USACE requires project authorizing legislation and appropriations. Development of new project would take several years to complete.*

- **USDA-NRCS Small Watershed Program:** The NRCS also has specific statutory authority under the Watershed Protection and Flood Control Act (also known as the Small Watershed Act) to design and fund construction of small-scale structural flood control projects.
- **FEMA HMGP:** While the use of structural flood control is an eligible HMGP activity, the Administration attempts to direct communities towards comprehensive flood hazard mitigation strategies that focus on non-structural solutions that promote the basic tenets of the National Flood Insurance Program (NFIP). HMGP funds may be used for structural measures after an evaluation of a series of potential mitigation measures and a determination is made that a structural solution is the most cost effective alternative. In addition, initial estimates of available HMGP funds would not cover the cost of large-scale structural solutions. **GAP:** *Preliminary estimates of the total dollars available for the HMGP in the three states is approximately \$58 million. This amount of funds is insufficient to construct a large-scale structural flood control project.*

**Non-Structural Flood Control Measures: Acquisition; Elevation-in-Place; Alternative Approaches; and, Relocation of Housing from Floodplains:**

- **FEMA HMGP:** The HMGP assists States and local communities in funding permanent, cost effective hazard mitigation measures. Grants are 75 percent Federal/25 percent non-Federal cost-share. The total amount of grant funds available is 15 percent of the Federal funds spent on the Public and Individual Assistance programs in Presidentially-declared disasters. Grants are provided to States based on State-established priorities. Numerous mitigation methods are eligible under the HMGP, but in mitigating flood hazards, non-structural approaches are often preferred. These include methods such as the following:
- **Acquisition/Relocation of Structures:** The acquisition/relocation of both residential and nonresidential structures are eligible activities under the HMGP. Many States and communities are focusing on acquiring/relocating residential structures. Under the HMGP, the value of damaged structures that are to be acquired is based on their pre-flood market value. The preliminary estimate of structures substantially damaged by the flooding in the three states is 2,000. If these structures were acquired and either relocated or demolished at an average cost of \$60,000, the total cost would be approximately \$120 million. Under the HMGP, the Federal share would be \$90 million. Prior to the recent flooding, FEMA announced several changes in policy and regulation intended to expedite the acquisition of homes that present the greatest challenge to State and local officials as well as those at greatest flood risk. FEMA has made a determination that the acquisition of substantially damaged residential structures in severely flood-threatened areas is cost-effective. Therefore FEMA will not require cost/benefit analysis for the acquisition of substantially damaged residential

structures located within these high-risk areas. FEMA also issued a categorical exemption from National Environmental Policy Act (NEPA) requirements for the acquisition of flood-prone residential structures through revised regulations. **GAP:** *1) Preliminary estimates of the total dollars available for the HMGP in the three states is approximately \$58 million. In the event that a large-scale acquisition program is selected as the flood mitigation approach, there would be a funding shortfall of approximately \$32 million. Available funds from other Federal and non-Federal sources could be used to close any potential funding gap.*

- **Elevation-in-Place of Structures:** The elevation-in-place of both residential and nonresidential structures are eligible activities under the HMGP. Many States and communities are focusing on elevating-in-place residential structures. If 2,000 structures are elevated-in-place at an average of \$30,000 each, it would cost approximately \$60 million. Under the HMGP, the Federal share would be \$45 million. Preliminary estimates of the total dollars available for the HMGP in the three impacted states is approximately \$58 million. In the event that a large-scale elevation-in-place program is selected as the flood mitigation approach, there would be sufficient funding for the Federal share. It is important to note that other eligible HMGP projects would compete for these funds in each state, such as acquisition and relocation, long-term transportation and economic recovery mitigation projects.
- **FEMA Public Assistance Program Relocation of Damaged Public Facilities in Support of the Relocation of Other Structures:** In lieu of FEMA providing grants for the on-site repair or restoration of damaged public facilities located in flood prone areas, FEMA will work closely with any proposed relocation project to support the design and construction of the supporting infrastructure in the relocation area.
- **FEMA Flood Mitigation Assistance (FMA) Program:** This new program was created by Congress under the National Flood Insurance Reform Act of 1994. FMA provides funds to States and communities for cost-effective measures that reduce long-term flood risks to buildings (Flood mitigation planning is also funded). The funds for FMA are derived from the National Flood Insurance Fund and as such, are not linked to the occurrence of a declared flood disaster. FMA is intended to promote non-structural flood hazard mitigation but can be used, in limited situations, for small structural solutions for local drainage problems. Funds are distributed on a 75 percent Federal, 25 percent non-Federal cost-share basis. Mitigation project grants are statutorily limited to \$20 million per fiscal year for nationwide distribution. Each State will receive project grants based in part on the number of flood insurance policies in force. The proportionate share of FY '97 funds available in the three impacted states, under this program, is \$368,400. In addition, acquisition of residences is statutorily limited to those covered by a flood insurance policy.
- **USACE Flood Damage Reduction Program:** The USACE, as part of an authorized flood control project, can acquire/relocate structures, elevate-in-place structures, and

provide flood warning systems to help mitigation future damages. **GAP:** *The USACE requires project authorizing legislation and appropriations. Development of new project would take several years to complete.*

- **USACE CAP and Other Programs:** The USACE has authority to study, design, and implement non-structural flood damage reduction projects, including the acquisition, elevation-in-place, dry floodproofing of nonresidential buildings, and relocation of flood-threatened structures. The USACE implements its studies and projects in cooperation with non-Federal project sponsors, only with specific Congressional authorization, except in the case of those which fall under the CAP.
- **HUD Community Development Block Grant Program (CDBG):** State and local governments receiving CDBG funds may use those funds to make optional relocation payments to property owners for the cost of comparable replacement housing outside of a flood plain. Optional relocation assistance should not exceed the difference between the housing replacement cost and the sum of: (a) the acquisition proceeds from the displacement dwelling; (b) the net proceeds from any flood insurance payment (proceeds net of the cost of documented repairs of flood damage); (c) personal tax savings that result from an owner's tax deduction of capital loss on displacement property; (d) SBA Disaster Home Loan assistance; and, (e) FEMA loan and grant assistance. The Secretary of HUD has waived certain acquisition and relocation requirements for use of CDBG and HOME funds for disaster recovery to assure equitability of relocation benefit paid under those programs and FEMA programs and to eliminate opportunities for unnecessary payments. CDBG funds may also be used to acquire flood damaged properties at pre-flood market value if FEMA funds are not available. **GAP:** *The supplemental appropriation is required to assure adequate funding for this program.*
- **USDA-NRCS Small Watershed Program:** The NRCS also has specific statutory authority under the Watershed Protection and Flood Control Act to design and fund small-scale non-structural flood control projects.
- **USDA-NRCS Emergency Watershed Program (EWP):** The EWP provides assistance to local sponsors in removing or reducing flood hazards that threaten life and property from flooding and erosion. The program can be used to purchase floodplain easements, restore streams to pre-flood conditions by removing debris, restoring stream channels, and repairing levees and other similar structural flood control measures. **GAP:** *The supplemental appropriation is required to assure funding for this program.*
- **Department of Interior (DOI) Habitat Protection/Acquisition:** Several programs exist within the DOI that provide technical assistance, easement, or land acquisition funding for floodplain areas. These include the Land and Water Conservation Fund, Partners for Wildlife, National Wildlife Refuge Acquisition Program, Rivers, Trails & Conservation Assistance Program, etc.. Where habitat, wetland, park, or recreation

values are present in a floodplain restoration area, these programs can both acquire land, or provide long-term easements for certain limited uses of the land. In addition, some of these programs offer technical assistance in planning necessary for riparian area restoration for multiple uses and benefits. **GAP:** *DOI would need additional appropriations to ensure adequate funding. FY1997 and FY1998 funding has mostly been allocated.*

- **Environmental Protection Agency (EPA) Clean Water Act:** Under the Clean Water Act, the EPA has the authority to provide grants for the restoration of upland wetlands. Restoration of wetlands can act to reduce flooding and improve the natural environment. EPA will work with the State to determine if program funding can be redirected to meet wetlands restoration needs.

#### IV. HOUSING REPAIRS, REHABILITATION, RECONSTRUCTION, AND REPLACEMENT FINANCING

- **FEMA Temporary Housing Assistance Program:** The Temporary Housing Assistance Program under the Stafford Act provides 100 percent Federal funding of either rental assistance or minimal home repair so that the immediate housing needs of the disaster victims can be met. This temporary assistance will facilitate long term housing recovery in several significant ways. First, the program will fund up to \$10,000 in essential repairs to dwellings so that displaced residents can take advantage of the greatest housing resource in the area—existing housing—and enable the community to return to normal as quickly as possible. Funding of repairs above \$10,000 must be approved on a case-by-case basis. Secondly, all available sources of rental assistance will be sought, including apartments, dormitories, travel trailers and mobile homes, to house displaced renters and homeowners who cannot reoccupy their damaged dwellings while repairs are being made. Finally, substantially damaged homes that will qualify for an acquisition, elevation-in-place, or relocation, or that must be elevated in order to be repaired, will be identified, so that assistance beyond the scope of the Temporary Housing Assistance Program can be sought. This program can also facilitate housing acquisition, elevation-in-place, and relocation by providing rental assistance to homeowners while the acquisition takes place. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **SBA Home Disaster Loan Program:** SBA provides low-interest (generally 4 percent) long-term (up to 30 years) loans to homeowners or renters to repair or replace disaster damages to real estate or personal property owned by the victim. Renters are eligible for their personal property losses. SBA disaster assistance is in the form of loans. Applicants must show the ability to repay all loans. Home loan amounts are limited by SBA regulation to \$200,000 to repair/replace real estate and \$40,000 to repair/replace personal property. The actual amount of each loan, up to these maximums, is limited to the verified uninsured disaster loss. Refinancing of existing mortgages on homes is eligible in some cases up the amount of the loan for real estate repair/replacement. Loan amounts may be increased by up to 20 percent for mitigation measures to mitigate against damage to the real property of the same type as the disaster.
- **Department of Energy (DOE) Technical Assistance Programs:** Through DOE administration of programs such as Weatherization Assistance, the Affordable Housing Partnerships, and Building America, DOE's Office of Energy Efficiency and Renewable Energy's Office of Building Technology (BTS) State and Community

Programs has a successful history of providing services to communities in every state for the revitalization of single-family, multi-family and commercial buildings. BTS can provide technical assistance on the energy efficient construction and reconstruction of buildings. DOE staff are also experienced in performing assessments of building needs, and in identifying financing mechanisms, such as HUD disaster mortgages that now include additional funds for energy efficiency measures and the use of performance contracting for residential, commercial and community facilities.

- **USDA Housing and Repair Programs:** These programs make grants and direct and guaranteed loans to aid low income and moderate income rural residents to purchase, construct, repair or relocate a dwelling, and to build or rehabilitate rental units for these individuals in rural areas. Loans are also made to enable very low-income rural homeowners to remove health and safety hazards in their homes and to make homes accessible for people with disabilities. Grants are available for people 62 years old and older who cannot afford to repay a loan. During an emergency, additional loans could be made to individual homeowners and to borrowers to repair their multi-family housing facilities. Grants could be made to very low-income elderly citizens who have suffered damages to their homes as result of natural disasters and to farm labor housing owners for repairs to damaged farm labor housing facilities. These programs also help ensure that residents of rural housing continue to live in decent, safe, and affordable conditions.
- **USDA Single Family Housing Loans:** The Rural Housing Service (RHS) provides subsidized direct and guarantees to low-income rural residents in need of housing. RHS may also make limited housing repairs loans through direct loan program. Existing borrowers are offered loan forbearance, when needed, to recover from the effects of a natural disasters.
- **HUD Housing Counseling:** HUD-approved housing counseling agencies are available to help renters, first-time homebuyers and homeowners. Up-to-date lists of HUD-approved agencies are available, by state, on the World Wide Web at *[“http://www.aspensys.com/hcc/”](http://www.aspensys.com/hcc/)*.
- **HUD Title I Home Repair Loan Program:** HUD’s Federal Housing Authority (FHA) Title I Home Repair Loan program will finance loans up to \$25,000 through participating lenders at prevailing interest rates.
- **HUD Single Family Mortgage Insurance for Disaster Victims:** HUD’s FHA Section 203(h) Single-Family Mortgage Insurance for Disaster Victims will provide 100 percent financing for replacement housing through participating lenders, at prevailing interest rates. Likewise, HUD’s FHA Section 203(k) Single-Family Rehabilitation Mortgage Insurance can make it easier to finance repairs or rehabilitation through participating lenders, at prevailing interest rates. For disaster areas, the Secretary of HUD has expanded the debt ratio to 60 percent on FHA partial

claims. Current provisions for partial claims require a homeowner to meet debt ratios in a range of 29 percent to 50 percent.

- **HUD CDBG Reprogramming:** HUD's CDBG grantees may reprogram their regular CDBG funds to assist homeowners who: (1) are declined loans by SBA because they cannot carry any more debt and lack the ability to repay; or (2) need additional financing beyond SBA's loan limits, to repair, rehabilitate, reconstruct, or replace their residence. The Secretary of HUD has waived certain program restrictions including those to permit new housing construction and removal of the 50 percent downpayment limitation on direct homeownership assistance for low or moderate income homebuyers.
- **HUD CDBG Supplemental Appropriation:** HUD will make supplemental appropriations available to disaster-affected CDBG grantees. They may use those funds to assist homeowners who: (1) are declined loans by SBA because they cannot carry any more debt and lack the ability to repay; or (2) need additional financing beyond SBA's loan limits, to repair, rehabilitate, reconstruct, or replace their residence. Grantees also may use those funds for other eligible disaster recovery purposes. The Secretary of HUD will waive certain program restrictions including those to permit new housing construction and removal of the 50 percent downpayment limitation on direct homeownership assistance for low or moderate-income homebuyers. **GAP:** *This assistance requires a supplemental appropriation.*
- **HUD HOME Investment Partnerships Program:** Under this program, participating jurisdictions may reprogram funds to provide permanent housing for low-income homeowners and renters who have become victims of the floods. Funds may be used for acquisition, new construction, rehabilitation, and tenant-based rental assistance. The Secretary of HUD has waived certain program requirements to allow participating jurisdictions greater flexibility to assist affected low income households and to reduce the costs of matching requirements.
- **HUD Section 8 Housing:** HUD field offices are authorized to approve exceptions up to 10 percent above the applicable Section 8 Fair Market Rents for counties and individual county parts that are designated as major disaster areas by FEMA. Requests for exceptions must be made by the responsible Public Housing Authority (PHA), be in writing, and certify that rents have increased as a result of the disaster. The exceptions normally remain in effect for two years.
- **Federal Home Loan Bank System, Subsidized Loans to Financial Institutions:** The Federal Home Loan Bank of Des Moines (whose jurisdiction includes Minnesota, North and South Dakota) has made available a \$100 million Disaster Relief Fund in the form of below-market rate loans to its member financial institutions located in flood disaster areas. Those institutions can use those funds for liquidity, emergency services such as water or sanitary services, clean-up costs, repair costs, rehabilitation costs, relocation and reconstruction costs for commercial, agricultural and residential

properties.

## V. NATIONAL FLOOD INSURANCE PROGRAM, FLOODPLAIN MANAGEMENT, AND MAPPING

### NFIP/Floodplain Management and Insurance Programs:

- **The Impact of FEMA Flood Insurance Claim Payments on Reconstruction and the Local Economy:** As of May 9, 1997, FEMA has received over 6,200 flood insurance claims in Minnesota and North and South Dakota from the recent flooding. The NFIP is issuing insurance payments and has notified flood insurance policyholders in three affected States that they are eligible to receive an immediate partial claims payment of up to \$2,000 to help with their initial recovery costs. Also, recognizing that policyholders might have difficulty contacting their insurance agents because they, too, have been displaced, the state insurance departments in North Dakota and Minnesota established toll-free telephone numbers for policyholders. The staff of the insurance departments take down the necessary information and ensure that it is given to the appropriate people so an adjuster can be assigned and a partial payment issued. **GAP:** *As of April 30, 1997, the NFIP has borrowed \$880 million from the Treasury to address a series of higher than average loss years. FEMA is proposing legislation that would increase the NFIP's borrowing authority to \$2 billion.*
- **FEMA Promotion of the Purchase of Flood Insurance:** As a result of FEMA's extensive efforts to improve flood insurance market penetration in the upper midwest, the number of flood insurance policies increased significantly. Under regulations promulgated as a result of the National Flood Insurance Reform Act of 1994 (NFIRA), two changes were made that will have a significant impact on post-flood recovery; (1) the waiting period for the effective date of flood insurance was extended to 30 days; and (2) those that receive Individual and Family Grants from FEMA must purchase and maintain in force a flood insurance policy equal to the amount of assistance to be eligible for future disaster assistance. SBA also will require flood insurance as a condition of making any disaster loans. FEMA is working closely with the affected States to develop marketing partnerships to promote the sale and retention of flood insurance policies. In an effort to promote the benefits of flood insurance, the State of Minnesota and FEMA are jointly working on an initiative to provide accelerated mitigation benefits to those with flood insurance.
- **Enforcement of FEMA NFIP Substantial Damage Requirement:** Communities must determine if structures are substantially damaged. (That is, whether the cost to repair is more than 50 percent of the structure's pre-disaster market value.) The NFIP requires that structures located in the regulatory floodplain that have been determined by the community to be substantially damaged meet the same requirements as new

construction. FEMA is working with the States and communities to resolve future rebuilding and housing issues associated with this determination. Technical assistance will continue to be provided to States and communities to assist them in determining which damaged structures are substantially damaged. The programs described in Section IV on Housing are available to provide financial assistance to homeowners in meeting substantial damage requirements. An example of which is the SBA Home Disaster Loan Program. In addition, beginning June 1, 1997, new and renewed policies will have a new coverage, called Increased Cost of Compliance Coverage, for which additional premium will be charged. In the future, this will provide at least partial funding of the additional costs of complying with substantial damage requirements in rebuilding flood-damaged structures.

- **Authorization of FEMA NFIP:** The statutory authority to continue the NFIP expires on September 30, 1997. Loss of authority will result in FEMA being unable to continue to operate the NFIP. This will result in FEMA being unable to sell or renew flood insurance policies, borrow funds from the Treasury, provide financial assistance to other federal agencies and States under the NFIP's Community Assistance Program, provide grants under the Flood Mitigation Assistance Program, meet contractual obligations, and fund salaries and expenses associated with operating the NFIP. **GAP:** *FEMA will require statutory reauthorization of the NFIP to ensure continuous operation of the NFIP.*
- **FEMA NFIP Community Rating System (CRS):** The CRS recognizes, through insurance discounts to flood insurance policyholders, community's actions that mitigate future flood losses that are beyond the minimum standards of the NFIP. Grand Forks (CRS Class 7 = 15 percent discount) and East Grand Forks (CRS Class 9 = 5 percent discount on insurance rates) are currently participating in the CRS program. Not all communities in the affected area currently participate in the CRS. FEMA will work with the affected States and communities to encourage full participation in CRS. Any reduction in flood insurance premiums, through CRS participation, will serve as an incentive measure to support increased efforts to market flood insurance in the upper midwest.
- **FEMA Technical, Training, and Advisory Assistance:** FEMA can provide technical, training and advisory assistance in support of Federal, State, and local post-disaster assistance efforts in the areas of floodplain management and mitigation. This assistance is normally provided at 100 percent Federal expense. FEMA has a cadre of full-time and on-call employees with expertise in the areas of training, floodplain management, disaster-resistant design and construction techniques, and mitigation available to assist other federal agencies as well as affected states and communities. All three Disaster Field Offices are currently staffed with a compliment of training and technical hazard mitigation assistance staff. FEMA also has in place contracts with Architectural/Engineering consulting firms to provide training and mitigation technical assistance to FEMA, as well as affected states and communities. The provision of

technical, training, and advisory assistance is at the discretion of the Federal Coordinating Officer in each state.

- **USACE Technical Assistance:** The USACE will provide States, counties, cities, and Native American Nations with flood hazard information, technical services and planning guidance free of charge through its Flood Plain Management Services (FPMS) program.

#### **FEMA NFIP Mapping:**

- **Ensuring That Affected States and Communities use Best Available Flood Data During Reconstruction:** Under the NFIP, FEMA is responsible for ensuring that each community's Flood Insurance Rate Map (FIRM) is accurate and up to date. FEMA is in the process of collecting flood data in the affected communities to ensure the FIRMs are accurate. If a need for updating is identified, FEMA will work with States and affected communities to initiate a new analysis that considers basin-wide needs and the importance of providing new flood hazard data in a timely manner to guide reconstruction efforts. In addition, FEMA will work closely with other Federal agencies in the data collection and analysis efforts to ensure that the results are consistent with design considerations for any possible proposed structural flood control. **GAP:** (1) *Should extensive re-mapping be necessary, current funds from the National Flood Insurance Fund may be insufficient.* (2) *Since a statutory appeal period and the adoption by the community of a revised FIRM is required, FEMA does not have statutory authority to require immediate adoption by a community of a revised FIRM, even in areas that have been determined to be inaccurately or incompletely identified on the community's FIRM. Statutory and accompanying regulatory revisions would be needed to allow FEMA to require communities to use information found on a revised FIRM during the appeal period and adoption process.*
- **FEMA Applying State-of-the-Art Technology to Providing "Quick Response" Floodplain Map Revisions:** Verifying the location of existing and residual floodplains after construction of flood control works is a relatively straightforward technical problem. However, the time required for such analyses is frequently measured in terms of months or years, and the pressure to rebuild and reoccupy the floodplain is immediate. Department of Defense (DoD) technology exists that promises to shorten this time frame dramatically. **GAP:** *The DoD technology has not been made available to the flood hazard mapping community in the private or public sectors to date.*

## VI. PLANNING AND PROGRAMS FOR ECONOMIC RECOVERY

### Planning, Project Development and Loan Packaging:

- **HUD CDBG:** HUD is making available, immediately, the on-site services of its Community Development Block Grant (CDBG) technical assistance national planning experts to provide expertise and guidance. Grantees may use CDBG funds for planning, project development and loan packaging. **GAP:** *The supplemental appropriation is required to fund the latter activity by grantees. (HUD has the funding to provide on-site planning and technical assistance.)*
- **DOC-EDA Planning Grants:** EDA will provide planning grants from supplemental appropriations to states and local governments, including Economic Development Districts, to fund Economic Development Coordinators to:
  - (A) help assess economic injury and facilitate a locally determined post-disaster strategic long-term economic recovery planning process for the disaster-impacted areas;
  - (B) provide a local on-site resource for effective economic development program coordination in the impacted areas; and
  - (C) carry out project implementation activities consistent with the strategic recovery plan for the long-term recovery of the area.

EDA had already funded a number of small short-term economic recovery planning grants to seven Economic Development Districts in the flood-affected areas of North Dakota and South Dakota to “jumpstart” the planning process in anticipation of the spring floods. The scope of those grants would be expanded with full-time Economic Recovery Coordinators and funded at full operating levels for 18 months with additional supplemental funding. **GAP:** *The supplemental appropriation is required to fund this activity.*

- **DOC-EDA Technical Assistance Grants:** EDA’s technical assistance grants from supplemental appropriations provide: technical assistance to address industry specific economic dislocations, i.e., marketing/promotional activity to help revive the tourism industry, offset negative perceptions of damage, and otherwise salvage the tourism season and convention business bookings; technical assistance to conduct economic development feasibility studies that support strategic economic recovery planning initiatives; and technical assistance services and contracts to help provide the professional expertise to states and local communities that are needed to support a

variety of economic recovery activities. **GAP:** *The supplemental appropriation is required to fund this activity.*

- **FEMA Technical, Training, and Advisory Assistance:** FEMA can provide technical, training and advisory assistance in support of Federal, State, and local post-disaster assistance efforts in the areas of floodplain management and mitigation. This assistance is normally provided at 100 percent Federal expense. FEMA has a cadre of full-time and on-call employees with expertise in the areas of training, floodplain management, disaster-resistant design and construction techniques, and mitigation available to assist other Federal agencies as well as affected States and communities. All three Disaster Field Offices are currently staffed with a compliment of training and technical hazard mitigation assistance staff. FEMA also has in place contracts with Architectural/Engineering (A/E) consulting firms to provide training and mitigation technical assistance to FEMA, as well as affected States and communities. The provision of technical, training, and advisory assistance is at the discretion of the Federal Coordinating Officer in each state.
- **DOE Center of Excellence for Sustainable Development:** This national program is operated out of the DOE's Denver Regional Support Office. The Center works with communities to help them define and implement sustainable development strategies as part of their comprehensive community planning efforts. The Center provides technical assistance to disaster-affected communities as they plan community-scale long-term recovery efforts, including relocation, repairs, and reconstruction by introducing them to a wide array of environmental technologies and sustainable redevelopment planning practices. Sustainable development—a strategy to rebuild stronger and better—optimizes a community's investment of relief funds. DOE provided comprehensive sustainable redevelopment planning assistance to several of the communities that relocated following the 1993 Midwest floods.
- **DOE Center of Excellence for Natural Disaster Remediation:** This is a new national program operated out of the DOE's Atlanta Regional Support Office. The Center's mission is to reduce, through the use of energy efficiency and renewable energy technologies, the human suffering and economic loss caused by natural disasters, including hurricanes, tornadoes, floods, ice storms, and earthquakes. The Center will promote the use of DOE's Office of Energy Efficiency and Renewable Energy (EERE) technologies to mitigate the initial loss by increasing the resilience of power systems, aid in the immediate response with solar-powered electric generators and water purification equipment, and promote the use of energy efficiency measures and appliances during recovery.
- **DOE Office of Energy Efficiency and Renewable Energy (EERE):** EERE is launching on May 20, a Web site, "Operation Fresh Start: Using Sustainable Technologies to Recover from Disasters." The Web site offers a host of resources to help individuals and communities incorporate sustainable redevelopment principles and environmental technologies into their planning process as they recover from floods and

other natural disasters. The Web site, which will be linked to other Federal agency Web sites that deal with disaster recovery, is called:  
*<http://www.sustainable.doe.gov/freshstart>*.

- **SBA SCORE Program:** The U.S. Small Business Administration's (SBA) Service Corps of Retired Executives (SCORE) -- over 650 SCORE counselors volunteer regularly in Minnesota, North Dakota and South Dakota -- can assist existing business owners who may need to develop new business plans, marketing plans, or financing proposals with the development of these products. SCORE volunteers can counsel and train small business owners starting, managing or growing their businesses. In the long-term, SCORE counselors can assist new businesses which will be started in construction, disaster recovery-related, or other new business ventures with business plans, marketing plans or financing plans.
- **SBA Small Business Development Centers:** Small Business Development Centers provide management and technical assistance, and one-on-one counseling to small businesses. There are approximately 40 locations within Minnesota, North Dakota, and South Dakota. SBDC's can assist disaster impacted small businesses reconstruct lost records, develop the documentation necessary for disaster loan assistance, and to plan survival strategies for what appears to be a long recovery period.
- **SBA Business Information Centers:** SBA's Business Information Centers (BICs) provide the latest in high-tech hardware, software and telecommunications to help small businesses get started and grow. Counseling and training are provided by SCORE.
- **USDA Water and Waste Grants and Loans:** The Rural Utilities Service (RUS) has ongoing programs to provide grants and loans to develop, replace or repair water and waste disposal (including storm drainage) systems in rural areas in towns having a population of 10,000 or less. Municipalities, counties, special purpose districts, Indian tribes, and nonprofit corporations are eligible. Applicants must be unable to obtain credit from other sources. Supplemental funding would be targeted for damage sustained as a direct result of a natural disaster.

### **Business Financing:**

- **SBA Business Disaster Loan Program:** SBA provides low-interest (generally 4 percent), long-term (up to 30 years) loans to businesses to repair or replace damages to property owned by the business, including real estate, machinery and equipment, inventory and supplies. Business of any size are eligible. Non-profit organizations such as charities, churches, private universities, etc., are also eligible. Applicants must show the ability to repay all loans. Business loan amounts are limited by law to \$1,500,000. The actual amount of each loan, up to this maximum, is limited to the verified uninsured disaster loss. Refinancing of existing mortgages or liens on real

estate and machinery and equipment is eligible in some cases up to the amount of the loan for real estate and machinery and equipment repair/replacement. Loan amounts may be increased by up to 20 percent for measures to mitigate against damage to real property of the same type of disaster.

- **SBA Economic Injury Disaster Loans:** SBA provides Economic Injury Disaster Loans (EIDL) for working capital to small businesses and small agricultural cooperatives to assist them through the disaster recovery period. EIDL assistance is available only to applicants with no credit available elsewhere - if the business and its owners cannot provide for their own recovery from non-government sources. SBA disaster assistance is in the form of loans. Applicants must show the ability to repay all loans. EIDL amounts are limited by law to \$1,500,000. The actual amount of each loan, up to this maximum, is limited to the actual economic injury as calculated by SBA, not compensated by business interruption insurance or otherwise, and beyond the ability of the business and/or its owners to provide.
- **DOC-EDA Revolving Loan Fund (RLF):** EDA will capitalize revolving loan funds in affected communities, from supplemental appropriations, to provide a source of local short-term “gap” financing for business recovery. Grantees may provide that assistance to businesses that: (1) are declined loans by SBA because they cannot carry any more debt and lack the ability to repay; or (2) need additional financing beyond SBA’s loan limits. Under the RLF grant program, local RLF lenders have the flexibility to provide short-term “gap” financing to:
  - (A) supplement traditional lending;
  - (B) set up a local micro-lending program;
  - (C) develop a local public and private infrastructure lending program to implement a local business recovery initiative.
  - (D) The scope of RLF lending activity is subject to available funding and flows from the strategic economic recovery planning process.

The repayment of any funds made under this program to local businesses stays in the community. **GAP:** *The supplemental appropriation is required to fund this activity.*

- **HUD CDBG:** HUD’s CDBG grantees may use their regular CDBG funds, and any CDBG supplemental appropriations they receive, to assist businesses recover. Grantees may provide that assistance to businesses that: (1) are declined loans by SBA because they cannot carry any more debt and lack the ability to repay; or (2) need additional financing beyond SBA’s loan limits. **GAP:** *The supplemental appropriation is required to fund this activity.*
- **USDA Business and Industrial Loan, Rural Business-Cooperative Service (RBS):** RBS, subject to available funds, will provide direct and guaranteed loans, grants, and rural business enterprise grants to businesses and cooperatives affected by the flood, and other natural disasters.

### **Programs for Economic Recovery and Redevelopment:**

- **EDA Supplemental Appropriation:** EDA will provide recovery construction grants from supplemental appropriations to upgrade or enhance existing infrastructure, or construct new infrastructure for job creation and business recovery purposes. **GAP:** *The supplemental appropriation is required to fund this activity.*
- **HUD CDBG Reprogramming:** HUD's CDBG grantees may reprogram their regular CDBG funds to repair, reconstruct, acquire, install, demolish, clear, and rebuild public works, facilities, and site or other improvements, to recover from the flooding. HUD may waive program requirements to allow such use of CDBG funds for buildings for the general conduct of government, otherwise prohibited.
- **HUD CDBG Supplemental Appropriation:** HUD will make supplemental appropriations available to disaster-affected CDBG grantees. Grantees may use those funds to repair, reconstruct, acquire, install, demolish, clear, and rebuild public works, facilities, and site or other improvements, and for other eligible disaster recovery activities. HUD may waive program requirements to allow such use of CDBG funds for buildings for the general conduct of government, otherwise prohibited. **GAP:** *The supplemental appropriation is required to fund this activity.*
- **USDA Community Facilities Loans and Grants:** Loans and grants are available to develop community facilities for public use in rural areas and towns of not more than 50,000 people. Funds may be used to construct, enlarge or improve health care, public safety and public services. Examples of eligible facilities and improvements include: hospitals, nursing homes, telemedicine equipment, fire stations, fire trucks and ambulances, childcare centers, airports, bridges, roads, and port facilities.
- **FEMA Community Disaster Loan Program (CDL):** FEMA's CDL program provides funds to a local government to offset the loss of tax or other revenues as a result of a major disaster. The local government must demonstrate a need for Federal financial assistance in order to maintain local governmental functions of a municipal operating character, such as, police and fire protection or water and sewer services. The amount of the CDL is based upon need, up to 25 percent of the operating budget of the local government for the year of the disaster. The interest rate is the 5-year Treasury rate at the time the Promissory Note is sign and the term of the loan is 5 years. **GAP:** *Only limited loan authority is currently available.*

### **Employment:**

- **DOL Disaster Unemployment Assistance:** The DUA Program is available in all three States, and provides unemployment assistance to those workers who are

unemployed as a result of the disaster and who are not otherwise eligible for unemployment benefits.

- **DOL Summer Jobs for Non-Disadvantaged Youth:** Under the Job Training Partnership Act (JTPA) Summer Jobs Program, the legislation requires that participants are youth from families which are “economically disadvantaged” (i.e., below the poverty level). Although authority exists in DOL’s Fiscal Year 1997 Appropriations Act to approve waiver requests of the JTPA legislation, eligibility is excluded from the list of items that can be waived. This means that youth who come from families that were not “low income” and formerly living in the flood areas cannot be enrolled in the Summer Jobs Program to assist in the clean up activities. **GAP:** *To serve both both groups, \$15 million in additional funding will has been requested under authority provided in JTPA Title IV (Pilots and Demonstrations) to overcome the eligibility issue since there is no restriction on income under Title IV.*
- **DOL JTPA Title III Dislocated Worker Assistance:** The JTPA Title III dislocated worker funds will provide up to \$12,000 in base wages for each participant with individual participation limited to six months. The participants under these grants will be working in a variety of recovery efforts, including debris removal, providing humanitarian assistance, clerical support, and activities related to eliminating health and safety threats. The temporary jobs must be concentrated in those areas experiencing the most severe damage to public facilities and infrastructure and related to cleanup, repair and restoration of public and private non-profit property. Migrant and seasonal farm workers who had already moved to the disaster area and were dislocated as a result of the flooding are eligible to participate in this program. Though not permanent employment, this program will allow an immediate infusion of funds into the disaster area, and will help mitigate the affects of lost wages caused by the disaster. To date. the three States have been awarded nearly \$10 million in funding under this program. The State of North Dakota has recently informed the Department of Labor that an additional \$1.5 million in JTPA Title III funds will be needed for temporary jobs to assist in the State’s disaster recovery efforts. The request will be financed with existing resources.

## VII. AGRICULTURE

- **USDA Disaster Reserve Assistance Program (DRAP):** This program provides cost-share feed assistance to livestock producers experiencing emergency problems for the 1996 crop year under provisions similar to those of the Livestock Feed Programs suspended by the 1996 Farm Bill. Assistance was provided to the Dakotas through this program earlier this year. **GAP:** *Authorization is needed to use reserve for 1997 programs.*
- **USDA, Farm Service Agency (FSA) Emergency Loan Program:** FSA, subject to available funds, will provide emergency direct loans to family farmers to help cover production and physical losses. Emergency loans may be used to restore or replace essential property, pay all or part of production costs, pay family living expenses, reorganize the farming operation, and refinance debts. The FSA will also make farm operating and ownership loans under existing authorities.
- **USDA-FSA Loan Restructuring Provisions:** FSA will make maximum use of authorities to defer or restructure loan repayments to producers unable to repay loans on schedule because of disaster losses.
- **USDA-FSA Guaranteed Loan Programs:** FSA guarantees of commercial credit can enhance producer's access to commercial credit during recovery from disaster loss.
- **USDA Federal Crop Insurance, Risk Management Agency:** The USDA Risk Management Agency, together with the private sector, provides crop insurance for farmers with over 90 percent of eligible farm land in the impacted States covered by Federal crop insurance.
- **USDA Emergency Conservation Program (ECP):** The ECP provides emergency funds for sharing with farmers and ranchers the cost of rehabilitating eligible farmlands damaged by natural disasters. Costs are also shared for carrying out emergency water conservation measures during periods of severe drought for livestock and existing irrigation systems for orchards and vineyards.
- **USDA-NRCS EWP:** The NRCS, subject to available funds, will provide technical and financial assistance to farmers and ranchers for runoff retardation and soil erosion prevention to reduce hazards to life and property. NRCS will also provide technical assistance for rehabilitation of land and conservation systems. In addition, through its Small Watershed Program, NRCS provides emergency protection to assist in relieving imminent hazards to life and property from floods and products of erosion created by

natural hazards that are causing a sudden impairment of a watershed. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*

- **FEMA NFIP Floodplain Management Requirements for Agricultural Structures:** Interim guidance under the NFIP was established in response to the 1993 Midwest flood disaster to allow wet floodproofed agricultural structures through the variance process. This guidance recognizes the difficulty associated with elevating or dry floodproofing certain agricultural structures. FEMA allows the use of wet floodproofing for certain low-value agricultural structures such as pole barns, and grains bins. FEMA will work with communities on the issue of substantially damaged agricultural buildings including providing information on wet floodproofing agricultural structures that have been damaged.

## VIII. INFRASTRUCTURE

### Transportation:

- **The Department of Transportation (DOT) Federal Highway Administration (FHWA) Emergency Relief Program:** Under this program the FHWA provides assistance for the repair of Federal-aid highways and roads on Federal lands. The State match generally varies from 10 to 20 percent depending on the class of Federal-aid highway. Currently, no State match is required for emergency repairs to restore essential travel accomplished within 180 days of the disaster. Also, no State match is required for repair of roads on Federal lands. Many roads in the three States fall under this program, including Indian Reservation roads. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **DOT Federal Railroad Administration (FRA) Emergency Railroad Rehabilitation and Repair:** If enacted this program will subsidize private, profitable companies' efforts to repair their flood-damaged rail freight lines. No match is required for this program. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **FEMA Public Assistance (PA) Program:** This program funds 75 percent of the repair and reconstruction of public roads, streets and bridges for non-Federal aid facilities. FEMA can also fund the Federal share of cost-effective mitigation measures, and the Federal share of repairing the damaged facility in accordance with the current applicable adopted codes and standards. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **FEMA HMGP:** The HMGP assists States and local communities in funding permanent, cost effective hazard mitigation measures. Grants are 75 percent Federal/25 percent non-Federal cost-share. Eligible activities include the reduction or elimination of potential flood damages to transportation infrastructure. (See detailed discussion under the Comprehensive Flood Hazard Mitigation section of this report.)

### Public Buildings:

- **FEMA PA Program:** The Stafford Act PA Program funds 75 percent of the repair and reconstruction of all physical damage to public buildings and those owned by eligible private-non-profit organizations. FEMA can also fund the Federal share of cost-effective mitigation measures, and the Federal share of repairing the damaged

facility in accordance with the current applicable adopted codes and standards. For those structures located in identified flood hazard areas and not covered by flood insurance, disaster assistance under this program will be reduced by the amount of insurance that could have been purchased. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*

- **Schools:** FEMA and the States have accelerated the delivery of assistance to schools, and will provide either the temporary facilities or permanent repairs and reconstruction to have all schools operable by the start of the next school year. FEMA can also fund the Federal share of cost-effective mitigation measures, and the Federal share of repairing the damaged facility in accordance with the current applicable adopted codes and standards. For public school districts a CDL can be used for operating expenses not specifically covered under the PA Program.
- **Hospitals:** FEMA and the States have accelerated the delivery of assistance to all critical facilities, including hospitals, in the declared counties.

**FEMA HMGP:** The HMGP assists States and local communities in funding permanent, cost-effective hazard mitigation measures. Grants are 75 percent Federal/25 percent non-Federal cost-share. Eligible activities acquisition, relocation, elevation and dry floodproofing of non-residential structures. (See detailed discussion under the Comprehensive Flood Hazard Mitigation section of this report.)

- **DOC-EDA Construction Grant Program:** The EDA construction grant program can fund 75 percent of the cost of improvements to existing public buildings and new construction for local public building projects that are directly related to job creation and business recovery. **GAP:** *The supplemental funding is required to ensure adequate funding.*

#### **Utilities/Power, Water and Sewer:**

- **FEMA Public Assistance Program:** This program funds 75 percent of the repair and reconstruction of public and eligible private-non-profit power, water and sewer utilities. FEMA can also fund the Federal share of cost-effective mitigation measures, and the Federal share of repairing the damaged facility in accordance with the current applicable adopted codes and standards. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **FEMA HMGP:** The HMGP assists States and local communities in funding permanent, cost-effective hazard mitigation measures. Grants are 75 percent Federal/25 percent non-Federal cost-share. Eligible activities include the reduction or elimination of potential flood damages to utility infrastructure. (See detailed discussion under the Comprehensive Flood Hazard Mitigation section of this report)

- **DOE Center of Excellence for Natural Disaster Remediation:** The Department of Energy has deployed staff from the Department of Energy's Center of Excellence for Natural Disaster Remediation. Center staff is coordinating with FEMA, other Federal agencies, and other disaster planning and response organizations to learn their short-term recovery needs and to identify power needs which can be better served by photovoltaic power generation equipment such as water pumping and purification, heating , indoor and outdoor lighting, refrigeration, and communications.
- **DOE Western Area Power Administration:** DOE's WAPA will waive late fees on its power bills for three months to those customers having difficulty paying electric bills due to the floods in all of the declared counties in the three States.
- **EPA State Revolving Fund:** During the aftermath of the 1993 Midwest floods, EPA was able, through State-run State Revolving Fund program, to offer loans for waste water but not for drinking water. Recognizing this critical need, Administrator Browner announced in Kansas City her intent to obtain these authorities. This came to fruition in August 1996, when Congress gave EPA the authority to create State Revolving Loan Funds under the Safe Drinking Water Act. This fund, administered through State-run State Revolving Fund programs, provides a source of low-interest loans for drinking water projects to towns and cities and gives States a long-term source of funding for their most critical drinking water infrastructure needs. This adds to the existing authority for loans for waste water facilities under the Clean Water Act. EPA will work with the States to provide them with as much flexibility in administering their programs, as the Administrator is allowed by law, to utilize funds under the Clean Water Act and Safe Drinking Water Act State Revolving Loan Funds. These funds can be used for loans to restore eligible portions of waste and waste water facilities damaged in the floods and enhance their ability to meet the current regulatory requirements. The three States are in the process of submitting applications for his program. EPA will work with them to allocate funds as soon as possible.
- **DOC-EDA Construction Grant Program:** The EDA construction grant program can fund, on a 75 percent Federal/25 percent non-Federal cost-share basis, construction of new publicly-owned utilities, (under special circumstances and restrictions), new water and sewer extensions, and water and waste water treatment upgrades for job creation and business recovery purposes. **GAP:** *The supplemental appropriation is required to fund this activity.*
- **USDA Water and Waste Disposal Programs:** This program makes grants and direct and guaranteed loans to develop water and waste disposal systems in rural areas. During an emergency, funds would be made available for loans or grants for the repair of rural water and waste disposal systems damaged by natural disasters. The funds would cover any facility that did not receive assistance from other sources, so that the communities affected can continue to provide safe drinking water and wastewater treatment facilities.



## IX. HEALTH and MENTAL HEALTH

- **Health and Human Services (HHS) Public Health:** Additional disease control activities, vector control, water quality monitoring, and public health information may be required in the disaster area.
- **HHS Community Health and Mental Health Services:** Normal services have been totally disrupted during the flood in many communities. Much of HHS' efforts have been targeted at maintaining emergency services while hospitals are being restored. Additional long term community based requirements (family, maternal and child health services, mental health care, school health, and community and migrant health care) may become more evident as recovery continues.
- **HHS Community Social Services:** Children and family services may have to address the unique needs of foster families, provide for emergency child care, provide additional case management and reduce the chance of abuse and neglect under the kinds of conditions that will prevail in the affected counties and communities for the foreseeable future. Intensified home and community-based services for elderly and disabled people may be needed, and a predictable demand for treatment services for special, disadvantaged populations will be required. Both community services and social service block grant supported programs may need to be supplemented to strengthen the ability of community action agencies to address these needs.
- **HHS Summer Youth Program:** Innovative and creative approaches may be needed to address the social needs that will have been created by the disaster. Summer jobs for youth to help restore essential community services would not only advantage the community, but meet a critical economic recovery requirement.
- **FEMA Crisis Counseling Program:** The Crisis Counseling Program, administered under the Stafford Act by FEMA, can help meet the immediate and short term crises counseling needs of disaster victims. The Crisis Counseling Program provides 100 percent Federal funding to States for short-term crisis counseling services to relieve mental health problems caused or aggravated by the disaster or its aftermath. There are two separate portions of the Program which can be funded: immediate services (for up to 60 days after the disaster declaration); and, the regular program which provides up to 9 months of crisis counseling services. All three States are participating in the immediate program, and all are eligible to participate in the regular program.  
**GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **USDA Crisis Counseling under the State Extension Services:** The USDA Cooperative State Research, Education, and Extension Service (CSREES) can provide

financial/psychological counseling to disaster victims who are making critical decisions in times of emotional stress. Funds for this program are passed through to State Extension Services to be used for their self-identified high priority needs. The allocation is divided by the State according to the number of disaster designated counties.

- **USDA Food Safety and Inspection Service:** On-going programs of the USDA can assist States and communities in ensuring food safety following the flood. The programs include: Field Epidemiology Emergency Teams to investigate outbreaks of foodborne disease; Food Safety Education, including a hotline for consumers; and, Food Safety Inspections to provide technical assistance to State regulatory programs.
- **USDA Congregate and Household Feeding Services:** A number of on-going USDA programs can assist in meeting longer-term needs for congregate or household feeding. These programs include: School Lunch, Breakfast, and Child and Adult Care Food Programs, Summer Food Service Program, Nutrition Program for the Elderly, and the Emergency Food Assistance Program to serve congregate feeding needs. Longer-term household needs can be met through the Food Stamp Program; the Supplemental Nutrition Program for Woman, Infants and Children; Emergency Food Assistance Program; Commodity Supplemental Food Program, and the Food Distribution Program on Indian Reservations. Special procurements of commodities are purchased by the Agricultural Marketing Service.
- **USDA WWW Extension Disaster Education Network:** The USDA's World Wide Web-based Extension Disaster Education Network (EDEN) provides a source of basic clean up and rehabilitation information. Topics include: *Mildew (how to prevent it, how to clean it up, what products to use, how to do it safely)*; and, *Structural damage (how to evaluate it and decide if it's worth fixing)*. The North Dakota Extension Service is specifically using EDEN as a resource to ask and receive answers to questions, and to locate needed equipment, such as wood moisture meters. The meters are being loaned without any cost. Nationwide, the Extension agriculture engineers and housing specialists are among those providing answers to individuals returning to flood-damaged property.

## X. SPECIAL NEEDS

### Tribal Nations:

- **FEMA Stafford Act Programs:** All programs under the Stafford Act, including housing, public assistance, and hazard mitigation, cover the Tribal Nations as well as State and local programs. In order to assure that the Tribal Nations are aware of the assistance and how to access it, FEMA has deployed Community Relations Teams to the Tribal Nations. In the case of North Dakota and South Dakota, FEMA designated a special Tribal Liaison who reports directly to the Federal Coordinating Officer. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **DOT-FHWA Emergency Relief Program:** Many of the Tribal Nations' damaged roads and bridges will be eligible for repair or reconstruction under the FHWA Emergency Relief Program. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **HHS Indian Health Service:** Some reservation populations increased during the floods as many urban residents migrated to live with relatives or returned to their first homes. Some expanded demand for health, mental health, and environmental health services may result. **GAP:** *The supplemental appropriation is required to ensure adequate funding.*
- **HUD CDBG:** The Secretary of HUD will make available up to \$600,000 under its Indian Community Development Block Grant Program for repair, rehabilitation, reconstruction, or replacement of properties damaged or destroyed by the disaster.
- **DOC-EDA Assistance:** Tribal Nations are eligible for all of the EDA Programs covered in this report. **GAP:** *The supplemental appropriation is required to fully fund EDA's programs.*
- **DOI Bureau of Indian Affairs (BIA):** The BIA has a wide variety of programs (social services, roads/engineering, natural resources, etc.) that may be available to tribal governments or to individual Indians living on reservations. A listing of these programs appears in Appendix B. BIA programs and services for Indians and Indian tribes are increasingly delivered through broad "block grant" type of funding for tribes, so that the individual tribes are able to make decisions about priorities among programs.

## Education Programs:

- **Department of Education (DOEd) Flexibility in Existing Authority:** Because of extensive flooding in the upper midwest, recipients and potential recipients of Federal education funds could have difficulty meeting application and other deadlines and in complying with certain statutory restrictions associated with the expenditure of those funds. Several education-related provisions in the supplemental appropriations bill would alleviate these problems. For example, recipients of DOEd State-administered programs could be granted an additional year (until September 30, 1998) in which to obligate funds. Language in the supplemental bill would also extend the Secretary's waiver authority under section 14401 of the Elementary and Secondary Education Act of 1965 to cover all State-administered programs of the Department of Education. An additional provision in the supplemental bill would authorize the Secretary to waive or modify any statutory or regulatory student aid requirements of under Title IV of the Higher Education Act in order to meet special needs of post-secondary students and institutions caused by the flooding. **GAP:** *The supplemental appropriations bill must be passed in order to provide this flexibility in current authority.*
- **DOEd Safe & Drug-Free Schools Program:** An existing grant with an organization that helps put crisis teams together to go into schools after a disaster will allow the Department to provide crisis counselors to those schools that have been devastated by the floods. Similar responses to the Oklahoma City bombing and other disasters have proven to be an effective means of addressing the emotional needs of school children after a disaster or crisis.
- **DOEd Migrant Education:** The North Dakota Department of Public Instruction expressed a concern that the 1998 allocation of Migrant Education funds, which is based on the number of 1997 migrant students identified and served, could be adversely affected by lower numbers this year. In the event there are not as many students served this year, funds may be rolled over from last year. Department of Education will also be able to accommodate the North Dakota request to use "flood clean up" as allowable employment for migratory work during the summer of 1997, as well as the request that the Department of Public Instruction be authorized to issue mini-grants to school districts which are serving homeless youth who have been uprooted from their homes. Grants will be awarded on the basis of a letter from the school district containing descriptions of the need and services to be provided. (Note: This assistance is also available to other States upon request and review by the Department of Education.)
- **DOEd On-going Oversight:** Relevant Department of Education program offices are in touch with the North Dakota Departments of Public Instruction on the migrant issues, and will work with the Minnesota and South Dakota State Departments of Education on issues as they arise.

### **Historic Preservation:**

- **FEMA Implementation of the National Historic Preservation Act:** FEMA is legally bound by Section 106 of the National Historic Preservation Act to consider the effects of any PA and HMGP undertaking on properties and sites included in or eligible for inclusion in the National Register for Historic Places. A Model State Programmatic Agreement has been developed to provide FEMA with a standard but flexible mechanism to accelerate and streamline these responsibilities. This Model Agreement is executed by FEMA, the Advisory Council on Historic Preservation, the State Historic Preservation Office, and the State Emergency Management Agency. It is currently in place in seven States, and remains in effect for a period of two years so that it can be implemented for any subsequent Presidentially declared disaster during that time. FEMA is negotiating Model State Agreements with Minnesota, North Dakota, and South Dakota to facilitate recovery wherever historic structures may be involved.

## XI. CONCLUSION

This report outlines a wide range of Federal assistance—grants, loans, planning and technical assistance, and structural flood control—that can help in recovery from this Spring’s devastating floods. The States and communities should find this information useful as they work with their Federal partners to identify and evaluate the programs that might best fit their redevelopment or mitigation needs. The information should be particularly helpful to those communities faced with complex redevelopment decisions, and a need to package a variety of assistance. *The President’s Action Plan for Recovery* in Appendix A outlines the steps that are being taken to assist communities in making these crucial decisions.

As noted throughout this report, the residents and local officials are the ones who must determine the future direction of their communities. The States will be instrumental in helping the communities reach and implement these difficult decisions. The States are also in the best position to ensure that coordination occurs between all available and appropriate Federal and State programs so that the end result truly reflects a local, State, and Federal partnership.

Federal assistance will not end with this report, however. Federal Agency staff are already working with the States and as they develop and implement their recovery plans. A number of Federal agencies have people on-site working hand-in-hand with local officials as they plan and take action to recover. The national office Federal Recovery Task Force, chaired by the Director of FEMA, will also continue to meet on a regular basis for as long as necessary to ensure that the States of Minnesota, North Dakota, and South Dakota are well on the road to recovery.

Finally, but perhaps most importantly, the emphasis on floodplain management and mitigation that runs through this report will guarantee not only a healthier recovery, but will be the first step in building a safer future for all.